



STATE OF CALIFORNIA

BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF CORPORATIONS
California's Investment and Financing Authority

NEWS RELEASE

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Arnold Schwarzenegger, Governor

William P. Wood, Commissioner

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Department of Corporations Issues Desist and Refrain Order Against Unlicensed Credit Counselors

Sacramento, February 2, 2004 --- The Department of Corporations today announced that it has issued a Desist and Refrain order against Credit Counseling Express, Inc., a nonprofit corporation, American Debt Counselors, Inc., a for-profit corporation, and the businesses' operators, Brandon Gutman, Ann Gutman and William Troy. The order directs these companies and individuals to stop engaging in the business of bill paying or prorating until they are licensed by the State of California.

With consumer debt at an all-time high of \$1.7 trillion, Corporations Commissioner William P. Wood reminds Californians to call the Department of Corporations before they hire a company that will receive money from them to negotiate with and pay their creditors. The Department can determine if the company is properly licensed to conduct this type of business. American consumers are now filing for personal bankruptcy at a record pace and it is critically important for them to have accurate and complete information about credit counselors and credit counseling businesses.

The Department of Corporations is California's Investment and Financing Authority, reporting to the Business, Transportation and Housing Agency and the Governor. The Department is responsible for the regulation, enforcement and licensing of securities, franchises, off-exchange commodities, investment and financial services, independent escrows, consumer and commercial finance lending and residential mortgage lending. For further information or to obtain a complaint form, see the Department's Web site at www.corp.ca.gov or call 1-866-ASK-CORP (1-866-275-2677).

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